

TECHNOLOGY FOR EDUCATIONAL ACHIEVEMENT IN WISCONSIN BOARD

Budget Summary							
Fund	2002-03 Base Year Doubled	2003-05 Governor	2003-05 Jt. Finance	2003-05 Legislature	2003-05 Act 33	Act 33 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$85,088,600	\$0	\$0	\$0	\$0	- \$85,088,600	- 100.0%
FED	7,088,000	0	0	0	0	- 7,088,000	- 100.0
PR	5,132,800	0	0	0	0	- 5,132,800	- 100.0
SEG	<u>32,205,400</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>- 32,205,400</u>	<u>- 100.0</u>
TOTAL	\$129,514,800	\$0	\$0	\$0	\$0	- \$129,514,800	- 100.0%
BR			- \$12,500,000	- \$12,500,000	- \$12,500,000		

FTE Position Summary						
Fund	2002-03 Base	2004-05 Governor	2004-05 Jt. Finance	2004-05 Legislature	2004-05 Act 33	Act 33 Change Over 2002-03 Base
GPR	5.00	0.00	0.00	0.00	0.00	- 5.00
FED	2.00	0.00	0.00	0.00	0.00	- 2.00
PR	<u>2.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>- 2.00</u>
TOTAL	9.00	0.00	0.00	0.00	0.00	- 9.00

Budget Change Items

1. ELIMINATE EDUCATIONAL TECHNOLOGY BLOCK GRANTS [LFB Paper 710]

GPR	- \$70,000,000
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Governor/Legislature: Reduce funding by \$35,000,000 annually and eliminate the educational technology block grant program under the TEACH Board.

Under current law, the TEACH Board annually awards block grants to school districts, Milwaukee charter schools, and secured juvenile correctional facilities for any purpose related to educational technology, except salaries and benefits of employees. Eligible uses include network upgrades, wiring loan payments, hardware, software, consulting services, professional development, and telecommunications access.

The Department of Corrections receives \$5,000 per eligible facility, which include the Southern Oaks Girls School, the Ethan Allen School, and the Lincoln Hills School. Milwaukee charter schools receive \$5,000 each, plus an amount distributed in proportion to their membership. School districts receive \$5,000 each, plus an amount based on a formula that uses equalized value per member, which is the full value of the taxable property in the district as certified for the prior year, excluding value adjustments resulting from appeals. There is an adjustment for K-8 and union high school (UHS) districts. For UHS districts, equalized valuation is divided by three times membership. For K-8 districts, equalized valuation is divided by 1.5 times membership.

The block grant program is a categorical aid, and as such is not subject to school district revenue limits. In 2002-03, all 426 school districts, 11 Milwaukee charter schools, and three secured correctional facilities received block grants.

[Act 33 Sections: 367 and 1066]

2. **ELIMINATE TRAINING AND TECHNICAL ASSISTANCE GRANTS** [LFB Paper 710]

GPR	- \$8,000,000
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Governor/Legislature: Delete funding of \$4,000,000 annually and eliminate the training and technical assistance grant program under the TEACH Board.

Under current law, TEACH awards grants to cooperative educational service agencies (CESAs), consortia of two or more school districts, charter school sponsors, secured correctional facilities, or CESAs, or one or more school districts, charter school sponsors, secured correctional facilities, or CESAs with one or more public library boards for training and technical assistance in the use of educational technology. The Board is required to ensure that at least one grant is awarded annually to an applicant located in the territory of each CESA. The grant program was implemented by the TEACH Board as a two-part process with the first part as a planning phase and the second as two-year implementation phase.

Of the \$8,000,000 available in 2001-03, the TEACH Board awarded \$3,000,000 to 15 consortia, including all 12 CESAs, Milwaukee Public Schools, the DeForest School District, and a consortium of the Beloit and Janesville School Districts, for model classroom demonstration sites. Staff from TEACH planned to use \$1,000,000 to maintain and upgrade TEACH-owned used at model demonstration sites across the state. The remaining \$4,000,000 is expected to be disbursed in implementation grants in 2002-03 for staff development models of the applicants' choosing.

[Act 33 Sections: 366 and 1065]

3. **SUNSET THE INFRASTRUCTURE FINANCIAL ASSISTANCE PROGRAM** [LFB Paper 711]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$0	- \$4,300,000	- \$4,300,000
PR	<u>0</u>	<u>4,300,000</u>	<u>4,300,000</u>
Total	\$0	\$0	\$0
BR	\$0	- \$12,500,000	- \$12,500,000

Governor: Sunset the infrastructure financial assistance program by specifying that no financial assistance could be provided under the program after the effective date of the bill. Eliminate eligibility for charter school sponsors. Allow municipalities to obtain loans under the program on behalf of public libraries. Provide that monies received by the federal E-rate aid appropriation, after paying administrative expenses relating the receipt and disbursement of those funds, would be used for loan forgiveness and debt service payments under this program, rather than offset educational technology block grants as under current law. Require that 50% of E-rate funds be used to forgive the repayment of loans provided to school districts and public library boards, or to municipalities on behalf of public library boards, and 50% be used for debt service payments. Require that if funds under this provision are insufficient to fully forgive loans, then loans would be forgiven on a prorated basis.

Under current law, school districts and public libraries may apply for loans and grants to fund the upgrading of electrical wiring in buildings already in existence when the TEACH program began, and installation and upgrading of computer network wiring. Schools and libraries are required to pay the debt service on the loans that represent 50% of the financial assistance, and the state pays the debt service for the grants, which represent the other half of the assistance. Bonding authorization for school districts under this program is \$100 million, and as of this year \$90.2 million has been approved for projects in 185 school districts. Originally, \$10 million in bonding was authorized for libraries under the program, but that amount was lowered to \$3 million under 2001 Act 16. As of this year, \$277,700 has been approved for nine public libraries.

Joint Finance/Legislature: Modify the Governor's recommendation to also reduce bonding authorized for school districts by \$9.8 million and for public libraries by \$2.7 million. Require that all monies received by the federal E-rate appropriation, after paying administrative expenses relating to the receipt and disbursement of those funds, would be used to reduce state GPR debt service costs under this program. This would reduce state GPR debt service by \$2,150,000 GPR annually, and would increase local debt service costs by \$2,150,000 PR annually compared to the bill.

[Act 33 Sections: 238q, 378d, 688d, 689d, and 1069d thru 1072d]

4. DEBT SERVICE REESTIMATES [LFB Paper 195]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$6,093,000	- \$105,300	\$5,987,700
PR	<u>3,033,500</u>	<u>0</u>	<u>3,033,500</u>
Total	\$9,126,500	- \$105,300	\$9,021,200

Governor: Provide \$2,368,400 GPR in 2003-04 and \$3,724,600 GPR in 2004-05, and \$833,900 PR in 2003-04 and \$2,199,600 PR in 2004-05, as a reestimate of debt service costs for the following purposes:

a. *Public Library Boards.* Provide \$49,000 GPR in 2003-04 and \$134,600 GPR in 2004-05 above base level funding of \$24,900 GPR for estimated debt service costs for public library boards under the infrastructure financial assistance program.

b. *School districts.* Provide \$2,319,400 GPR in 2003-04 and \$3,590,000 GPR in 2004-05 above base level funding of \$2,877,800 GPR for estimated debt service costs for school districts under the infrastructure financial assistance program.

c. *School district payments.* Provide \$785,000 PR in 2003-04 and \$2,065,200 PR in 2004-05 above base level funding of \$2,421,800 PR for estimated debt service payments by school districts under the infrastructure financial assistance program.

d. *Public library board payments.* Provide \$48,900 PR in 2003-04 and \$134,400 PR in 2004-05 above base level funding of \$23,800 PR for estimated debt service payments by public library boards under the infrastructure financial assistance program.

Joint Finance/Legislature: Reestimate debt service by -\$40,900 GPR in 2003-04 and -\$13,900 GPR in 2004-05 for public library boards and by -\$14,400 GPR in 2003-04 and -\$36,100 GPR in 2004-05 for school districts.

5. E-RATE REESTIMATE [LFB Paper 711]

FED	\$2,430,000
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Governor/Legislature: Provide \$1,215,000 annually above base level funding of \$3,200,000 for estimated revenues from state administration of the federal E-rate program. The Education Rate, or E-rate program, was created by the Federal Telecommunications Act of 1996, and it is administered by the Schools and Libraries Division of the Universal Service Administrative Company, attached to the Federal Communications Commission. E-rate discounts on telecommunications services are provided according to a community's low-income population and rural or urban status.

6. TELECOMMUNICATIONS ACCESS REESTIMATE

SEG	\$1,396,100
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Governor/Legislature: Provide \$375,400 in 2003-04 and \$1,020,700 in 2004-05 for the current educational telecommunications access program, which provides eligible entities with subsidized access to new data lines and video links or grants for data lines and video links for service contracts in effect when the TEACH Board was established. Clarify that the existing contracts grant portion of the telecommunications access program will sunset on December 31, 2005. The program is funded from the universal service fund that receives its revenues through pass-through assessments on intrastate telecommunications providers.

This funding would be utilized for the following purposes:

a. *School Districts, CESAs, and Charter School Sponsors.* \$1,170,800 in 2003-04 and \$1,601,600 in 2004-05 above base level funding of \$9,613,700 for additional estimated costs of providing telecommunications access to school districts, CESAs, and charter school sponsors.

b. *Private Colleges, Technical Colleges, and Public Libraries.* -\$47,000 in 2003-04 and \$191,300 in 2004-05 from base level funding of \$4,670,000 for the estimated costs of providing telecommunications access to private colleges, technical colleges, and public libraries.

c. *Private K-12 Schools.* -\$632,500 in 2003-04 and -\$639,300 in 2004-05 from base level funding of \$1,340,600 for the estimated costs of providing telecommunications access to private K-12 schools.

d. *State Residential Schools.* \$5,000 in 2003-04 and -\$1,800 in 2004-05 from base level funding of \$70,000 for the estimated costs of providing telecommunications access to state residential schools.

e. *Secured Juvenile Correctional Facilities.* -\$120,900 in 2003-04 and -\$131,100 in 2004-05 from base level funding of \$233,400 for the additional estimated costs of providing telecommunications access to secured juvenile correctional facilities.

[Act 33 Section: 2316d]

7. ELIMINATE TEACH COMPUTER TRAINING GRANT

SEG	-\$350,000
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Governor/Legislature: Delete base funding of \$175,000 annually for the Racine Unified School District to participate in the Pegasus Project, a public-private partnership which provides training to teachers and pupils in computers. This grant is currently funded by the universal service fund.

[Act 33 Sections: 379, 1067, and 2317]

8. PUBLIC MUSEUM ELIGIBILITY FOR TELECOMMUNICATIONS ACCESS PROGRAM

SEG	\$317,200
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Governor/Legislature: Provide \$112,500 in 2003-04 and \$204,700 in 2004-05 and specify that public museums would be eligible for the telecommunications access program. Specify that a public museum means a nonprofit or publicly owned museum located in Wisconsin that is accredited by the American Association of Museums or an educational center that is affiliated with such a museum.

Under this program, eligible entities receive subsidized access to data lines and video links. Currently, school districts, charter school sponsors, secured correctional facilities, private schools, CESAs, technical college districts, private colleges, public library systems, public library boards, and the Wisconsin Center for the Blind and Visually Impaired and the Wisconsin Program for the Deaf and Hard of Hearing are considered educational agencies that are eligible for this program. State costs for providing access are paid from the universal service fund, which receives its revenues through pass-through assessments on intrastate telecommunications providers.

[Act 33 Sections: 236d, 238n, and 1041d]

9. GOVERNOR'S WISCONSIN EDUCATIONAL TECHNOLOGY CONFERENCE

PR	\$294,900
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Governor/Legislature: Provide \$136,200 in 2003-04 and \$158,700 in 2004-05 above base level funding of \$52,700 for estimated additional costs for the Governor's Wisconsin Educational Technology Conference. Program revenues are generated from conference fees for participants.

10. ELIMINATE WATF POSITION

Funding Positions		
PR	- \$136,200	- 1.00

Governor/Legislature: Delete base level funding of \$68,100 annually and 1.0 position for administration of outstanding Wisconsin Advanced Telecommunications Foundation grants. These grants have been closed; therefore, the project position and related funding are no longer necessary.

11. ELIMINATE TEACH BOARD [LFB Paper 712]

Governor (Chg. to Base)			Jt. Finance/Leg. (Chg. to Gov)			Net Change		
Funding	Positions		Funding	Positions		Funding	Positions	
GPR	- \$13,181,600	- 5.00	\$4,405,300	0.00		- \$8,776,300	- 5.00	
FED	- 9,518,000	- 2.00	0	0.00		- 9,518,000	- 2.00	
PR	- 8,325,000	- 1.00	- 4,300,000	0.00		- 12,625,000	- 1.00	
SEG	- 33,568,700	0.00	0	0.00		- 33,568,700	0.00	
Total	- \$64,593,300	- 8.00	\$105,300	0.00		- \$64,488,000	- 8.00	

Governor: Eliminate the Technology for Educational Achievement in Wisconsin (TEACH) Board. Delete base administrative funding of \$641,600 GPR annually and 5.0 positions for general program operations for TEACH.

Telecommunications access. Transfer the telecommunications access program and associated funding to the Department of Public Instruction (DPI), as shown in the following table. In the appropriation for school districts, CESAs, and charter schools, \$108,900 annually would be provided for administrative costs to DPI for this program, which is shown under DPI. This program is funded from the state universal service fund, a segregated (SEG) fund that receives revenues from pass-through assessments on intrastate telecommunications providers.

<u>Purpose</u>	<u>2003-04</u>	<u>2004-05</u>	<u>Fund Source</u>
School Districts, CESAs and Charter Schools	\$10,784,500	\$11,215,300	SEG
Private Colleges, Technical Colleges and Libraries	4,735,500	5,066,000	SEG
Private K-12 Schools	708,100	701,300	SEG
State Residential Schools	75,000	68,200	SEG
Secured Juvenile Corrections Facilities	112,500	102,300	SEG

Infrastructure financial assistance. Transfer the infrastructure financial assistance program and associated debt service funding to DPI, as shown in the following table.

<u>Purpose</u>	<u>2003-04</u>	<u>2004-05</u>	<u>Fund Source</u>
Debt Service for K-12 Schools	\$5,197,200	\$6,467,800	GPR
Debt Service for Public Libraries	73,900	159,500	GPR
Debt Service for K-12 Schools--Local Share	3,206,800	4,487,000	PR
Debt Service for Public Libraries--Local Share	72,700	158,200	PR

E-rate. Transfer state administration of the E-rate program and associated funding to DPI, with \$4,415,000 FED annually. Delete a separate FED appropriation with funding of \$344,000 FED annually and 2.0 positions.

GWETC. Transfer administration of the Governor's Wisconsin Educational Technology Conference (GWETC) and associated funding to DPI, with \$188,900 PR in 2003-04 and \$211,400 PR in 2004-05 and 0.5 position for administration of the GWETC.

WATF. Transfer the Wisconsin Advanced Telecommunications Foundation (WATF) assessments appropriation to DPI. Provide that monies received by the WATF assessments appropriation be used to promote the use of educational technology in the state, rather than to offset the block grants appropriation as under current law. Eliminate obsolete statutory references to WATF.

Eliminate obsolete appropriations under TEACH, as well as authorization for the TEACH executive director position.

Provide that the incumbent employees in 1.0 GPR position, 0.5 PR position, and 0.5 FED position, which are among those that would be deleted in the bill, would transfer from TEACH to DPI. These transferred employees would retain all employment rights and status that they held prior to the transfer, and no transferred employee who had attained permanent status in the classified service would be required to serve a new probationary period.

Transfer from TEACH to DPI all assets, liabilities, tangible personal property, and records that are primarily related to the functions of TEACH, as determined by the Secretary of DOA. Transfer all outstanding loans made under the infrastructure financial assistance program from TEACH to DPI. Provide that all contracts entered into by TEACH or DOA on behalf of TEACH that were in effect prior to the transfer would remain in effect until their specified expiration date or until they were rescinded or modified by DPI. Specify that all rules promulgated and orders issued by TEACH that were in effect would remain in effect until their specified expiration date or until they were amended or repealed by DPI. Provide that any pending matters would transfer to DPI and all materials submitted to TEACH or actions taken by TEACH concerning the pending matter would be considered as having been submitted to or been taken by DPI.

Delete the requirement that TEACH cooperate with DPI to support the development of courses for the instruction of professional employees who are licensed by the State Superintendent concerning the effective use of educational technology.

Joint Finance/Legislature: Modify the Governor's recommendation to transfer the remaining TEACH functions and related funding to DOA rather than to DPI, including the telecommunications access program, state administration of the E-rate program, the infrastructure financial assistance program, and the Governor's Wisconsin Educational Technology Conference. Modify provision to reflect changes in funding approved by the Legislature, which would affect the amounts transferred to DOA. Adjust the transfer amounts as follows: (a) -\$2,150,000 GPR and \$2,150,000 PR annually, relating to the infrastructure financial assistance program [Item 3]; and (b) -\$55,300 GPR in 2003-04 and -\$50,000 GPR in 2004-05, relating to debt service reestimates [Item 4].

Veto by Governor [A-14]: Delete the provision that would eliminate the requirement that DOA cooperate with DPI on the development of courses for the instruction of professional employees who are licensed by the State Superintendent concerning the effective use of educational technology, as required of TEACH under current law.

[Act 33 Sections: 95, 196d, 204d, 210d, 234d, 236d thru 238r, 360 thru 365d, 368 thru 384d, 587k, 588m thru 588r, 637d, 641d, 642d, 680, 688d, 689d, 728, 934d, 1034, 1035 thru 1088d, 1994d, 2032d, 2311d, 2312d thru 2314d, 2316d, 9101(10d), and 9150(1d)]

[Act 33 Vetoed Section: 1057d]